Market Commentary
U.S. Equity

As of June 30, 2011

Portfolio Performance

For the Quarter

The portfolio outperformed the Russell 1000 Growth Index during the quarter. This performance was driven by strong stock selection throughout most of the portfolio. This was partially offset by unfavorable sector allocation due to an overweight in energy, one of the worst performing market sectors, and underweights in the top performing consumer discretionary and consumer staples sectors.

Energy was the worst performing market sector during the quarter and an overweight in the sector acted as a drag. However, this was more than offset by better relative performance overall of energy holdings versus those in the benchmark. Specifically, the portfolio had less exposure than the benchmark to integrated oil stocks, which were negatively impacted by the recent decline in crude oil prices. The portfolio's energy exposure is skewed toward natural gas focused exploration and production companies.

A number of consumer-related holdings were top contributors. In staples, Hansen Natural continues to grow at very strong rates in the U.S. and internationally. Mead Johnson reported that its sales were very strong in emerging markets and had improved in the U.S. In consumer discretionary, NIKE rallied as commodity prices eased and as the company delivered a strong Q2 EPS report and a constructive analyst day. YUM! reported strong results in China. This segment of their business continues to grow and should surpass $1 billion in profits during 2012. Finally, Amazon's top line results continue to sparkle and the company is forecasting very strong organic top line growth for Q2.

Citrix Systems, in technology, was the top contributor to overall performance. The stock performed very well due to a healthy earnings report and continuing penetration into new markets/verticals. Yet, Cisco Systems, despite its inexpensive valuation, remains in the doldrums due to the lack of specifics for a growth plan in this lackluster customer environment and a wait-and-see attitude of their current investor base.

Waters Corporation, in producer durables, reported solid Q1 results and management raised guidance. In financials, Visa rose nicely since the final rules of the Durbin Amendment will have less of an impact on the company than had been feared. However, Berkshire Hathaway has lagged. The company has experienced Swiss Re losses related to the natural disaster in Japan and there may still be some fallout from the questionable trading of one of Berkshire's former executives.

New positions were established in Hansen Natural and MICROS during the quarter. Hansen Natural participates in the fast growing energy drink market and is experiencing strong volume growth in the U.S. as well as a strong international rollout.

MICROS is a leading provider of Point of Sale software to the hospitality industry and has a steady track record of achieving above average top line growth and increasing margins. Diageo ADR was sold, as Hansen Natural gives us a better growth profile in consumer staples.

For the Year-to-Date

Through the first half of the year, the portfolio is ahead of the Russell 1000 Growth Index. This has been due to favorable stock selection. Energy holdings have performed well on a relative basis and the portfolio's overweight in this sector has been additive since energy has been one of the best performing market sectors during the year. Stock selection in most other sectors across the portfolio has also been additive, particularly producer durables, and materials & processing, followed closely by consumer discretionary and technology. The performance of financial services holdings has been somewhat weak.

Market Review

Investor enthusiasm about the economic recovery was a key driver of the strong stock market returns during the second half of 2010. This same momentum helped drive the S&P 500 Index to a +9.1% return through the first four months of 2011. However, the two-month period between May and June was a different story as global, political, and economic news and events made investors fearful that the economic recovery was in jeopardy. In particular, investors became concerned about the impact of a number of issues including the disaster in Japan, ongoing debt problems in Europe (and more recently Greece specifically), the end of QE2, and higher oil and gasoline prices. Indeed, economic data and comments by the Federal Reserve pointed to an economy that had hit a soft patch. In this environment investors shifted into safe investments and out of riskier assets like stocks and commodities, resulting in a -7.2% drop in the S&P 500 Index from the end of April through mid-June. A significant portion of this decline was reversed during the last week of June when more encouraging economic news and approval of a plan to fix Greece's near-term debt issues gave investors courage to move back into stocks. Yet, the rally was not enough to move equity indexes back into positive territory for the month. The S&P 500 Index returned -1.7% in June, this after a -1.1% showing in May. With the +3.0% return achieved in April, the index was barely able to eke out a positive return during the quarter. However, on a price-only basis (excluding the impact of dividends), the quarter was negative with the index ending the quarter modestly below where it began. Given this backdrop, energy, technology, and producer durables sectors were negative during the quarter, while consumer staples, consumer discretionary, and health care sectors remained positive.

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HOLLAND CAPITAL MANAGEMENT

As of June 30, 2011

Market Outlook

Through April 2011, the S&P 500 Index experienced eight consecutive months of positive returns as investors showed enthusiasm about an improving economy. However, investors became concerned in May and June due to weak economic data and confirmation by the Federal Reserve that the economy is recovering at a pace more slowly than expected. In addition, events such as the impact of the Japanese tsunami and earthquake, the end of QE2 in June, and the European debt problems increased anxiety among investors. And while bits-and-pieces of better economic data and near-term action to fix Greece's specific debt situation led to improved stock market action exiting the 2nd quarter, it is clear that investors remain suspicious of the numerous headwinds and concerns that could impact the recovery. For instance, housing, which tends to contribute significantly to economic recoveries, remains weak. Oil and gasoline prices, while dropping recently, are still challenging consumers. Unemployment is still stubbornly high and job gains remain anemic. Companies are cautious of hiring and spending and are hoarding cash because of uncertainty about the future, and the political debate on the debt ceiling and how to reduce the deficit either through spending cuts or raising taxes or a combination of the two continues to cause uncertainty.

We do not attempt to predict the direction of the stock market, economic growth, or interest rates, nor the outcome of geopolitical events or activity. However, given the confluence of events and near-term headwinds that the economy continues to face, we believe the recovery will be slow and uneven at best. Given this dynamic, we would expect stock market action to remain reactive as evidence of the pace and sustainability of economic growth continues to evolve.

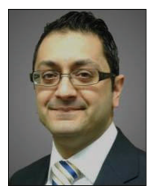
We understand that corporate profitability and earnings are affected by the pace of economic growth. Thus, we remain focused on using thorough, high quality, bottom-up research to identify companies that best meet our long-term fundamental investment criteria. We remain favorable toward companies with exposure to faster-growing products or markets, companies that are market share gainers, those with pricing power, and companies whose bottom lines can still leverage increased demand as the economy recovers. We continue to focus on high quality companies, with solid balance sheets and strong free cash flow and are committed to a portfolio positioned to participate in sustained rising market environments and protect in extended market downtrends.

In general, we believe that as the economy further recovers and corporate earnings growth normalizes, investors will become more cautious of lower quality stocks with lower quality or unsustainable earnings and whose valuations are not supported by sustainable earnings. Rather, we expect investors to shift their focus toward stocks of high quality companies with strong balance sheets and good managements, with the ability to generate high quality, sustainable earnings with achievable estimates, metrics consistent with our bottom-up fundamental investment criteria.

PORTFOLIO MANAGERS

Monica L. Walker, CPA
Chief Executive Officer
& Chief Investment Officer - Equity

Ms. Walker is a founding partner of the Holland Capital Management As Chief Executive Officer, she oversees the overall business and financial operations of the firm. With over 30 years of financial services experience, including 23 years of investment management experience, Ms. Walker also serves as Chief Investment Officer — Equity, responsible for execution of the firm's large cap growth and mid cap growth equity strategies with a team of equity research analysts. She has worked as a member of the firm's equity team and Investment Policy Committee since the firm's inception 20 years ago. Ms. Walker received a B.B.A. in accounting from the University of Texas at Arlington in 1980 and is a CPA licensed in Texas and Illinois. She serves as a board member Chicago Children's' Choir and of Chicago United. Ms. Walker is a member of the CEO Council of Chicago United and the International Foundation of Employee Benefit Plans' Investment Management Committee. She is a member of the CFA Society of Chicago, the Illinois CPA Society, the Texas Society of CPAs, the American Institute of CPAs, the National Association of Securities Professionals (NASP), the Executive's Club of Chicago, Women Investment Professionals (WIP), Alliance of Business Leaders & Entrepreneurs (ABLE) and the Economic Club of Chicago. Ms. Walker was honored by the Chicago chapter of NASP in July 2008 as one of five "Chicago Women Blazing the Path to Power" and was named in February 2010 as one of Black Enterprise's "75 Most Powerful Women in Business."



Carl R. Bhathena
Co-Portfolio Manager - Equity
& Senior Equity Analyst (Technology)

Mr. Bhathena is Co-Portfolio Manager of the firm's large cap and mid cap growth equity strategies. As a Senior Equity Analyst, Mr. Bhathena is responsible for fundamental research and valuation analysis within the technology and telecom sectors of the market. He joined Holland Capital in 1998 and has 18 years of industry experience. He began his career with EVEREN Securities Inc. (formerly Kemper Securities Inc.) as an associate analyst in the company's investment strategy group. Mr. Bhathena was promoted to Vice President – Investment Strategist and performed aggregate fundamental qualitative and quantitative analysis on global financial markets, sectors, industry groups, and specific companies as well as economic and interest rate forecasting. Mr. Bhathena holds a M.B.A. with honors from the University of Hartford's Beatrice Auerbach School with an investment finance concentration, and earned a B.A. in economics from Baldwin-Wallace College.

Holland Capital Management LLC · One North Wacker · Suite 700 · Chicago, IL 60606 · 312.553.4830 · **www.hollandcap.com**